



Cambridge
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Overview 26

Cambridge Economic Overview 2026

A report from
Cambridge Ahead

cambridgeahead.co.uk



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Executive Summary

Cambridge is the most intense innovation cluster in Europe; it is the UK's most innovative city; it is a net contributor to the Exchequer each year, and so rightly Cambridge is a focal point for Government's growth mission.

This report finds that Cambridge's exceptional economic fundamentals, boosted by Government's focus on Cambridge and the Ox-Cam Growth Corridor, have generated **green shoots of economic growth and market momentum in Cambridge**.

This is particularly notable in the context of the significant and multiple headwinds experienced across the UK economy in recent years, with Cambridge performance and innovation industry sentiment markedly different to the wider national picture.

The research here outlines that accelerated and further economic growth in Cambridge is possible if key enabling interventions are delivered at pace, that the success of Cambridge is felt directly in cities and regions across the country, and that the UK's global competitiveness is a pressing policy priority which Cambridge can help Government respond to.

The research captured in the Cambridge Economic Overview (CamEO) 2026 report spans quantitative and qualitative, local and national, data. The report details key economic characteristics and trends, establishes connected insight into local quality of life priorities, and makes recommendations for policymakers to support the sustainable and inclusive growth of Cambridge and its region in the long-term. CamEO will be published annually as part of Cambridge Ahead's focus on the long-term needs of the Cambridge economy.

Headline insights this year are:

- **Cambridge's role as a national economic asset has become more pronounced** – as macro-economic pressures bear down on the market, and boardroom decision-making hardens; Cambridge's fundamental strengths remain world-class and are attracting significant investment.

- **Cambridge fuels knowledge economy growth in other cities and regions – with benefits felt from the Fens to Manchester.** This contributes to delivering good growth locally, as well as directly supporting the growth of clusters in other UK regions.
 - **Recent data and market signals suggest green shoots of higher growth are emerging – but the gravity of the UK’s economic challenge is illustrated in reduced rates of Cambridge growth over 2024–25.** As Cambridge is a bellwether city region for the UK innovation economy, this reinforces the critical importance of the national growth mission.
 - **Cambridge industry leaders report upbeat R&D investment and workforce plans for the year ahead** – with evidence that Government’s commitments to Cambridge and Ox-Cam are boosting business confidence.
 - **The production capability across Cambridgeshire and Peterborough means that the region** is well positioned to deliver R&D intensive manufacturing related to multiple Industrial Strategy priority sectors. This is typified by the type of growth seen in the Cambridge–Ely corridor, and by hotspots in Huntingdonshire and Fenland.
 - **Concerns over diminishing UK competitiveness dominate horizon scanning** for industry leaders – compounding local pressures. The continued decline in the birth rate of new Cambridge companies is a related and concerning trend.
 - **Quality of life for all in Cambridge is a defining local priority to ensure growth is sustainable and inclusive** – with housing anxieties and cost pressures for young workers, and wider mental health challenges for young people standing out as priority focus areas.
- The Cambridge ecosystem is mobilised and ready to work with national and local Government to respond to these needs.
- Cambridge Ahead puts forward a suggested list of focused policy priorities. These are seen as routes to unlock the good growth potential of Cambridge over the long-term, with decisive measures taken in 2026.

1. Cambridge can deliver accelerated growth for UK benefit

Cambridge has exceptional assets and notably strong market momentum and sentiment, and if catalysing local interventions are

agreed and delivered rapidly on the ground in Cambridge, these can convert quickly into growth.

This should focus on the delivery of enabling local infrastructure, particularly transport. Priorities should be:

- a) Infrastructure delivery plans to unlock and accelerate strategic growth sites for housing and commercial space. Infrastructure priorities include Cambridge East Station, segregated public transport based on corridors that have been through due process and are deliverable as soon as possible, and a renewed plan for wastewater infrastructure that will unlock North–East Cambridge.
- b) Confirmation of the powers and remit for the Development Corporation as soon as possible – including provision for the Development Corporation to raise private finance and reduce Cambridge’s reliance on the public purse to fund major infrastructure.
- c) Aligned infrastructure and spatial development plans for the region – led by the Cambridgeshire and Peterborough Combined Authority, working across authorities and providers. This should include as soon as possible an agreed Mass Rapid Transit plan for Cambridge, a plan for water supply that bridges

immediate capacity gaps as well as creating capacity beyond 2040, a plan for wastewater treatment, and an energy plan that enables the growth of the future to be clean and sustainable, in line with Cambridgeshire’s Local Area Energy Plan.

- d) Inclusion of Cambridge in Government’s priority areas for fiscal devolution – recognising that growth in Cambridge is net additional to the UK, growth can be as assured here as much as any city region in the UK, and that fiscal devolution here would create a game-changing shift away from reliance on national Government to fund growth interventions and support local quality of life.

2. Quality of life should be a guiding principle for the next chapter of Cambridge’s growth story – with the latest data pointing to a need to focus on young people’s housing and access to work

This is a unifying mission for Cambridge partners and 2026 is an opportunity to double down on efforts. Priorities should include:

- a) Cambridge Development Corporation works with developers,

registered social landlords, local authorities and others to **align and deliver a targeted housing programme that will meet the needs of young workers in Cambridge**. This should include specific investment programmes to deliver affordable housing at volumes above market levels, targeted support for types and tenures wanted by young people such as compact housing, co-living, and build-to-rent (as put forward by CA’s Young Advisory Committee), and working with employers to deliver employer-backed housing.

b) Uniting around and investing in Included¹ as an ecosystem-wide initiative to focus on pathways for young people from disadvantaged backgrounds into employment and fulfilling careers – ranging from upstream support such as work experience and school engagement, through to targeted support to reduce and prevent young people becoming NEETs (Not in Education, Employment or Training).

c) Continuation of funding for Form the Future as Greater Cambridge City Deal funding draws to a close. With the platform created by Form the Future to connect employers with schools and young people being a huge asset for inclusive

growth, and bold investment needed to ensure that this long-range upstream work – which can take many years to present in outcome data – continues.

3. Cambridge competes on the international stage and is acutely dependent on strong UK policy that boosts global competitiveness and positioning

Cambridge can help Government respond to related strategic policy priorities.

Given Cambridge’s international ranking as a cluster, the concentration of its innovators and investors “upstream” in IS-8 priority sectors, and its mobilised ecosystem – it is geared up to work effectively and at pace with policymakers. Immediate priorities should include:

a) Building on the Mansion House Accord, Government should set and monitor baseline expectations for large pension schemes to hold more UK assets, like investments in high-growth firms – while respecting their fiduciary duties and allowing schemes to justify different approaches aligned with scheme member outcomes.

- b)** Government should seek to accelerate delivery of the Nova scheme, accrediting funds to deliver an investment pipeline of investment opportunities for UK pension funds, informing investments into productive UK assets such as knowledge-intensive scaling firms, and potentially realising better returns for savers.

- c)** Government should ensure that the migration system and schemes such as the Global Talent Visa are not unduly burdensome and off-puttingly bureaucratic. Whilst managing overall migration robustly, the UK must ensure it remains an attractive, welcoming and accessible destination for the brightest and best talent from around the world in innovation sectors.

- d)** Support the work of the Cambridge business community with Stansted Airport on long-haul route development to open up more direct connectivity between Cambridge (and wider Ox-Cam and East of England) and priority global innovation and investment clusters including in the US, China and Asia.



About Cambridge Ahead & CamEO

Cambridge is the most intense innovation cluster in Europe, it is the UK's most innovative city, it is a net contributor to the Exchequer each year, and so rightly Cambridge is a focal point for Government's growth mission.

Cambridge Ahead's members represent over 45,000 workers in the Cambridge city region, across business, academia and research in a range of sectors. Cambridge Ahead draws upon this insight from industry, its engagement with policymakers, and the input of expert advisers like Dame Carol Black to translate its insight into a series of policy recommendations.

The CamEO report draws on data and insight commissioned, collected and curated by Cambridge Ahead for over a decade. Data presented here is drawn from:

- Cambridge Ahead's partnership with the Centre for Business Research at the University of Cambridge to produce the **Cambridge Cluster Insights** database².
- Through the insight of Cambridge Ahead members and other employers through the annual **Cambridge Ahead Pulse Survey**.
- From bespoke research partnerships such as the **Cambridgeshire annual Quality of Life Survey** with Cambridgeshire County Council and the **Growing Together Alliance** with the Brunel Centre.
- Through third party research relationships such as the **Centre for Cities**.
- Market data from Cambridge Ahead members such as **JLL**.

Cambridge Economic Overview

Cambridge's fundamental strengths. The right conditions for innovation-led growth, particularly following economic shocks and pressures.

Cambridge is ranked as the most intense innovation cluster in Europe, and second in the world only to the San Jose - San Francisco in the USA³. It is the UK's most innovative city, with the highest density of new economy firms⁴ and consistently the highest number of patents registered per head of population. There are now over 150 employment clusters within a 20-mile radius of Cambridge⁵.

There are 2,500 Knowledge-Intensive (KI) firms and research institutes in Greater Cambridge alone, now employing around 90,000 people, and generating an annual turnover of £21bn.

Greater Cambridge knowledge economy workers now make up nearly 50% of the total corporate workforce of the city region⁶.

Station Road in Cambridge has more trillion-dollar tech companies than

any other street in the UK, with NVIDIA, Apple, Amazon and Microsoft all now operating from this single road on the CBI development⁷.

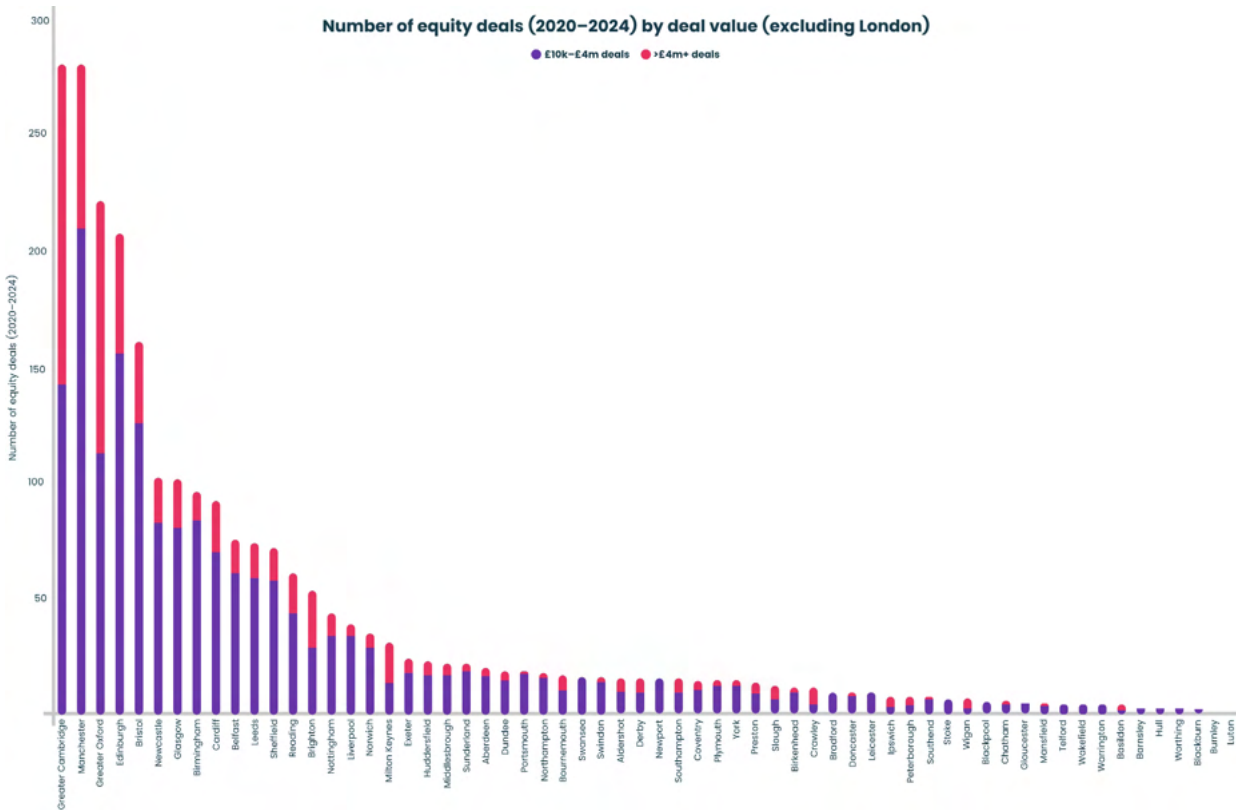
Recent analysis from the Centre for Cities on equity investment in firms in UK cities shows that outside of the capital, Cambridge is the highest performing UK city for investment: *"For Greater Cambridge we found it had 281 equity deals between 2020 and 2024. This means it had the largest number of deals among any location besides London. These deals were often high-value, likely because Cambridge has a significant presence of capital-intensive sectors such as life sciences.*

Reading and Cambridge are the only two cities where more than 1 per cent of their small firms are equity-investable, followed by London and Oxford (both at 0.8 per cent). The share of SMEs that are 'investable' varies significantly between cities. A small firm in Cambridge is around 14 times as likely to be investable as a small firm in Luton, and close to three times as likely to be investable as one in Leeds⁸."

Latest analysis by the Centre for Business Research shows that the Greater Cambridge economy has consistently outpaced national growth over the last decade. Early recovery from the global financial crisis tracked at similar rates locally and nationally. However, from 2013 onwards there has been a clear divergence in the economic performance (as measured through jobs created) between Cambridge

of around 14 index points over the national average, a gap that has widened considerably since 2009.

These metrics are brought to life by what industry leaders say about the reasons they are in Cambridge, and the factors that keep them here. The Cambridge Ahead Pulse Survey 2026 captures the views of over 50 leading employers in the Cambridge city region including AstraZeneca,



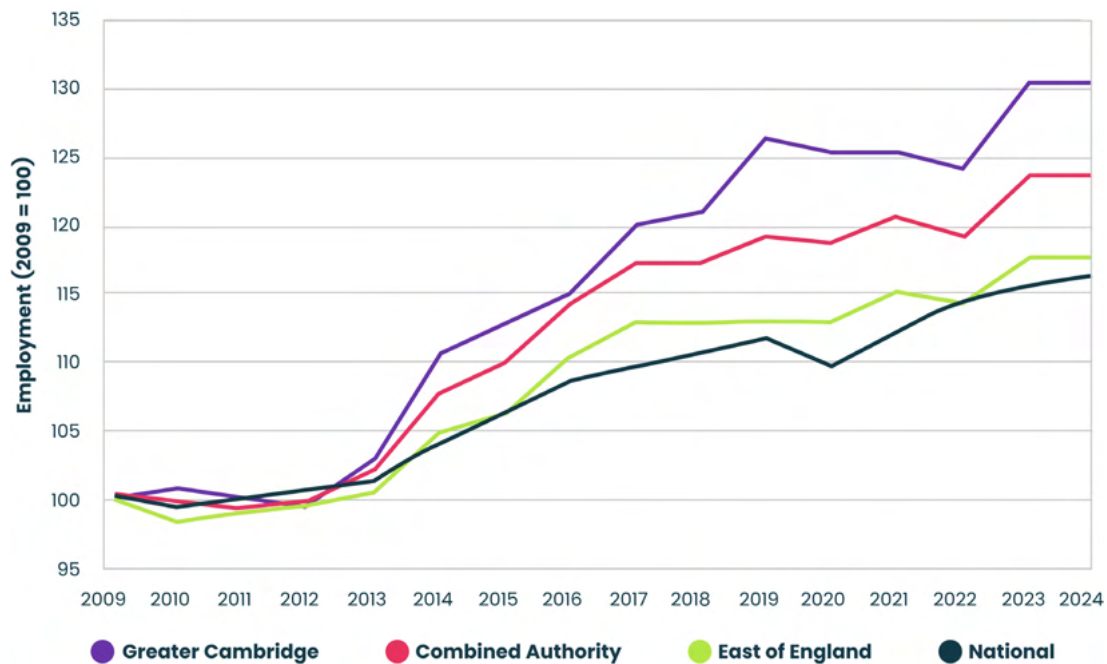
(and the wider Cambridgeshire and Peterborough region) and the rest of the nation. This divergence accelerated further post-pandemic and by 2024/25, **Greater Cambridge’s employment index of approximately 130 represents a lead**

Arm, Bicycle Therapeutics and Paragraf. The Survey has found that there *“is profound belief in the fundamental strength of the Cambridge ecosystem. It is seen as a unique national asset.”*⁹ Over the four years that the Pulse Survey has

now been running, the dominant reasons that employers value a presence in Cambridge are its: **talent base, research intensity, and the innovation ecosystem** – in terms of the level of wraparound support that is provided.

Huntingdonshire (e.g., Paragraf) and Fenland (e.g., Aerotron and Stainless Metalcraft).

The Cambridgeshire and Peterborough Combined Authority's (CPCA's) Local Growth Plan responds to this data and sets



The wider Cambridgeshire and Peterborough region's production capability is increasingly defined by high value, R&D intensive manufacturing embedded in regulated, buoyant markets, where innovation and quality offset rising costs. This is shown notably through latest data in the rise of knowledge-intensive economy growth in East Cambridgeshire driven by the success of the Cambridge - Ely corridor (see next chapter) and is reinforced by notable hotspots in

out policy interventions to further boost this regional capability. The CPCA investment into the North Cambridgeshire Training Centre (NCTC) in Fenland, linked to Stainless Metalcraft, is an example of an impactful intervention that has supported the growth of the regional manufacturing sector and pathways into employment for local people. Over 500 apprentices have been trained at NCTC since it opened in 2023¹⁰.

“ Cambridge is one of the rare places where world-class science, industry, and talent sit within walking distance, creating an environment where collaboration is almost inevitable. Its intensity of research and openness to do business is extraordinary for its size. The investor market is alive to opportunities in AI and deeptech, in which Cambridge has immense expertise. The city is in a unique position to lead the convergence of these disciplines, accelerating the kind of breakthroughs that have defined this city for generations.

Peter Freeman, Chair of Cambridge Growth Company

“ At the Wellcome Sanger Institute we see how data, technology and AI are revolutionising how we approach genomics research. This is presenting new ways to tackle some of humanity’s greatest challenges. The Cambridge ecosystem has the research intensity, the infrastructure and environment to attract and support the brightest minds for realising these opportunities. For the Sanger and wider Wellcome Genome Campus this means new research and innovation, collaboration and accelerating commercial endeavours, where we can power both global research and local opportunity, ultimately improving lives for everyone.

Dr Julia Wilson, Director of Strategy, Partnerships and Innovation – the Wellcome Sanger Institute

“ Bicycle Therapeutics was founded in Cambridge. The city’s fundamental strengths create the perfect environment for innovation-led growth, showing remarkable resilience through economic shifts. We’ve leveraged its world-class talent, research intensity, and supportive ecosystem to scale our business. For a company looking to innovate and grow, Cambridge provides the ideal conditions for success.

Kevin Lee, CEO Bicycle Therapeutics

Cambridge fuels knowledge economy growth in other cities and regions – with benefits felt from the Fens to Manchester

The success and intensity of Cambridge's knowledge economy have meant that it generates growth with far reaching benefits. Cambridge is a net contributor to the exchequer of around £1bn per year¹¹, but perhaps more pertinent to Industrial Strategy the benefit of a successful Cambridge is connected to, and being directly felt in, other cities and regions across the UK.

Local connections

Recent research by the CBR for Cambridge Ahead has illustrated this strongly. Findings published here in the Analysis of Business Location Changes report show the spread of the Cambridge knowledge economy north into the Fens, which had not been observed as part of the Cambridge Phenomenon from the 1960s until very recently in the 2020s:

- The Cambridge – Waterbeach – Ely Corridor has been subject to a remarkable rise in Knowledge-Intensive (KI) economic activity over the last decade. Business parks in this corridor have seen large increases in KI employment

over the decade, such as Evolution Business Park (+57%), Lancaster Way (+23%), and Cambridge Research Park (+40%)¹².

- This is further reinforced by the rise in KI employment in East Cambridgeshire of 3.9% per year over the last three years (2022/23 – 2024/25), running higher than the 3.1% for Greater Cambridge over the same period (though from a much smaller base)¹³.

The Cambridgeshire and Peterborough Independent Economic Review (CPIER) in 2018 established that the Cambridgeshire and Peterborough region is made up of distinct economic sub-regions: the Cambridge city region, the Peterborough city region and the Fens. At this point in time there was little evidence that the Cambridge city region was contributing to knowledge economy growth in the Fens, in fact the CPIER noted that growth was happening in the opposite geographic direction; "This report analyses the nature of growth in and around Cambridge and concludes that this growth is driven by locally-specified factors (and may be slow to spread as a result), and that the natural pull of this growth is towards the south and east."¹⁴

The growth of the East Cambridgeshire knowledge economy

since the CPIER reported, particularly focused on the corridor between North Cambridge, Waterbeach and Ely, therefore is a notable recent dynamic. This shows very encouraging potential for utilising the innovation economy in Cambridge to support the creation of high-value and future-facing jobs in the wider region. Cambridge Ahead is currently working with the CPCA and CGC to further study the Cambridge – Waterbeach – Ely Corridor and its potential for future growth.

The research has also shown a remarkable spread of knowledge-intensive firms moving from Cambridgeshire and Peterborough to neighbouring regions – showing the positive impact the Cambridge region has for the wider East of England and other neighbouring regions. In the decade to 2024 there were 54 KI firms that moved from Cambridgeshire and Peterborough to Suffolk, 51 to Hertfordshire, 37 to Essex, and 32 to Norfolk¹⁵.

The move of BugBiome from the National Institute of Agricultural Botany (NIAB) in Cambridge to Norwich Research Park in late 2025 is a recent example of how in some cases Cambridge provides the right conditions to start a company, and a cluster elsewhere will provide the right conditions for that company to then scale¹⁶.



Demonstrating field efficacy of our aphid product is critical for commercialisation and partnering... The move to Norwich places us at the heart of the UK's agri-biotech community, and we are really looking forward to our next phase of development here.

Dr Alice Showering, CEO and Co-Founder – BugBiome

National connections

Cambridge's economic connections to other clusters are not exclusive to its home region. The extent to which Cambridge is connected to other cities and regions in the UK has become clearer through the work of Cambridge Ahead and the Growing Together Alliance over the last three years.

As the Cambridge innovation economy grows, there are several ways in which benefits flow across the UK. These include:

- **The direct expansion of Cambridge firms into other regions as they grow** – for

example as firms like Pragmatic (headquartered in Cambridge) establish advanced manufacturing facilities for semiconductors in Durham, or firms like Arm (headquartered in Cambridge) establish further offices in Manchester, Sheffield and Bristol.

- **Research collaborations between Cambridge institutions and other UK partners** – Between 2010–11 and 2022–23, 1,976 projects in the UKRI Innovate UK database involved a partner organisation from Greater Cambridge. More than half (2,611) of these partner organisations were located outside of the East of England¹⁷.
- **The relocation of Cambridge innovation firms to other regions** – for example Manchester (14), Bristol (7) and Birmingham (7) all saw knowledge economy firms relocate from the Cambridgeshire and Peterborough region to these new city regions over the 2015–24 period. Whilst this is a much rarer occurrence of course, the impact is potentially very high with firms' centre of gravity, job creation, and investment focus all shifting.

The research from the CBR tracking company movements has found that knowledge economy firms are likely to move large distances

when they do move out of the region, over 60% moved more than 40 miles, this represents 450 firms between 2015–24. This suggests that finding the right location for the next stage of the innovation firm's growth is a much more dominant consideration than proximity to origin location and demonstrates that Cambridge seeds a notable number of innovation firms that will find root and grow over a wide geographic footprint.

- **Cambridge investors capitalising scaling firms in other regions** – At least £110m was invested by Cambridge investors into 490 firms outside Ox-Cam over the 2016–25 period. Critically, this funding by investors with expertise in innovation often “leads” funding rounds and leverages other capital. The £110m invested by Cambridge funds leveraged a further £620m for these scaling firms¹⁸.



The Cambridge Economic Overview 2026 shows the strength of connection between Cambridge and Manchester. The data shows that Cambridge and Manchester are

the highest performing city regions for investment outside of London. The ties between our economies are deepening – for example, when Cambridge businesses look to grow beyond the Greater South East, Manchester is the destination they choose most often. This underlines the strategic importance of both cities to the UK, particularly for economic growth, and the huge potential of

the first-of-its-kind ecosystem partnership between Cambridge and Manchester. By investing, connecting and collaborating, we can bring researchers, industry, and entrepreneurs together in a way that accelerates growth and spreads the benefits across the UK.

Shaun Grady, Chair of the Manchester Cambridge Partnership and Chair of AstraZeneca UK

Recent data and market signals suggest green shoots of higher growth are emerging – but the gravity of the UK’s economic challenge is illustrated in reduced rates of Cambridge growth over 2024–25

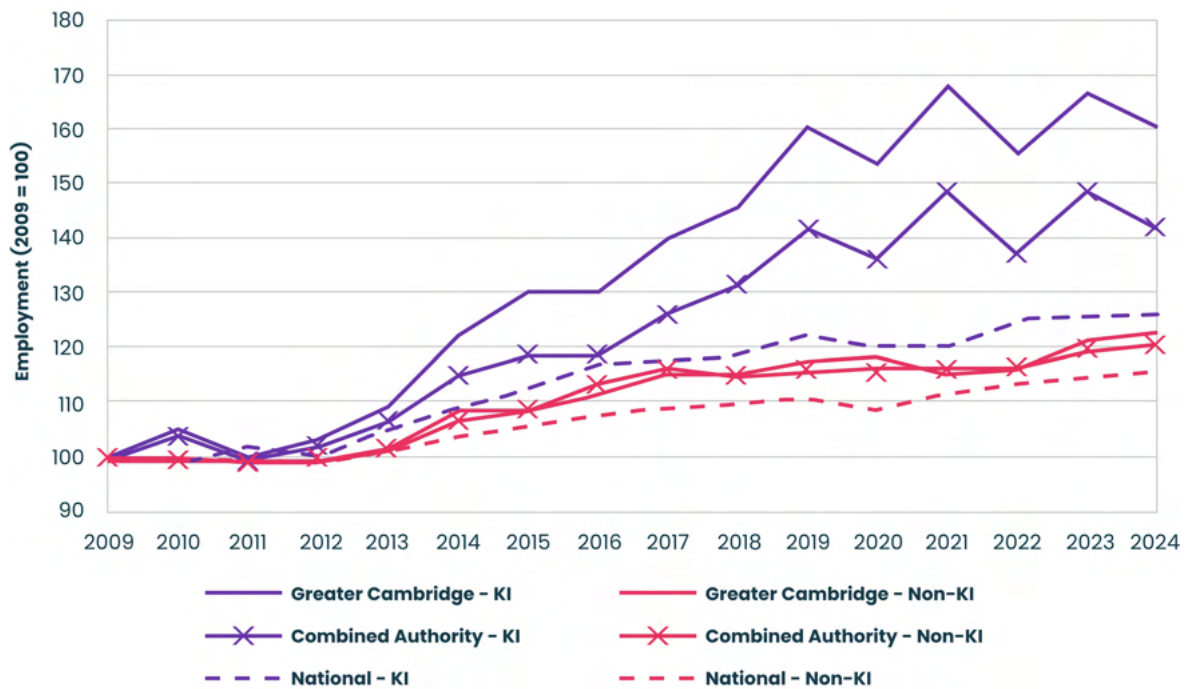
The Greater Cambridge economy experienced overall employment growth of just 0.5% in the most recent year (2023/24 – 2024/25), significantly reduced from the 4.8% overall growth in the previous

year. This has largely been driven by a reduction in employment in Knowledge-Intensive (KI) sectors (-2.3%). This is the first annual reduction in KI employment in Greater Cambridge since Cambridge Ahead has been reporting data (2011/12).

Given Cambridge’s position as the most innovative economy in the UK, its status as a UK-leading centre of equity investment, and its previous robust performance despite macro-economic shocks – this data illustrates the gravity of the economic pressures facing the UK.

The chart below illustrates clearly that in the period from 2012 onwards the performance of the knowledge economy in Greater Cambridge, and the Cambridgeshire and Peterborough region, have consistently outpaced the national knowledge economy, and the economy overall. Innovation sectors in Cambridge consistently grow much faster than the national average for innovation sectors.

As the chart below shows, Cambridge’s trend growth has been impressive over this period, but not unilinear. The UK Life Sciences sector has experienced some challenging factors in the last four years. These have been characterised as including weak IPOs, “patchy” Foreign Direct Investment (FDI), slower clinical-trial competitiveness, disputed pharma pricing incentives and concerns over UK commercial returns.



Life Sciences

The decline in employment in Life Sciences and Advanced Manufacturing (of which Cambridge’s cohort is often linked closely to Life Sciences) has been the driving force of this performance.

Key indicators have indicated volatility and uneven performance. UK life sciences equity finance fell to £2.9bn in 2023, down 14% from £3.4bn in 2022, the second annual fall after the pandemic-era spike. However, the UK still ranked third among comparator countries, behind the US and China¹⁹.

Public markets were especially weak: the UK had no life sciences IPOs in 2023, down from 3 in 2022 and 11 in 2021²⁰. However, in 2023/24, the sector had 6,170 businesses / 7,320 companies, 359,600 employees and £146.9bn turnover. That compares with 304,200 employees and £122.9bn turnover in 2021/22 prices adjusted to 2023/24, so the sector expanded materially in employment and nominal/real turnover terms, i.e. scale growth rather than productivity gains²¹.

Investment values increased 164% from 2023 to 2024²², and after a challenging period, the sector is now seeing positive signs in terms of recovery with an increase in venture capital funding since Q4 2025; and in Q1 2026, UK biotech raised £552m, described as a sign of recovery, though IPO activity had not rebounded²³.

Green shoots of growth in Cambridge and building momentum

The way in which Cambridge generates accelerated growth rates, particularly following times of national economic challenge (set out in analysis earlier in this report) can be seen again now in the context of the UK life sciences sector. **Of the five biggest UK biotech venture capital deals in Q1 2026, three were**

Cambridge companies (Nuclera, Bit. bio and Immutrin). Collectively these firms raised over £165m²⁴.

In the same period (2023/24 – 2024/25) that saw declines across KI sectors in Greater Cambridge as a whole, the **technology sector experienced little employment change (-0.9%) but did see a huge 14.8% increase in turnover**. This is one notable signal of a potential return to high employment growth rates as this data set historically sees notable employment growth following on from turnover growth in the cycle of company growth.

Latest snapshot analysis from the CBR of a sample of core Greater Cambridge KI firms for interim results for the six-month periods ending between May and November 2025 shows a marked shift in turnover. For this sample of key Cambridge firms (representing an annual turnover of c. £470m and 2,700 employees) **total turnover rose by 8% in H1 2025 compared with a fall of 10% in the same period last year²⁵**.

Wider market signals

Cambridge Ahead has also looked at the commercial space market in Cambridge as an economic signal, with take-up and prices (hard real estate signals) of office space being a robust indicator. Analysis from JLL

for Cambridge Ahead shows that office space values in Cambridge city centre have increased in Q1 2026 following a flatline across 2024 – 2025:

Year	Cambridge City Centre Prime Rent (£ per square foot)
2021	£49.50
2022	£58.00
2023	£59.00
2024	£62.50
2025	£62.50
2026 Q1	£65.00

Analysis of take-up of office space (confirmed lettings) further illustrated a 2025 / early 2026 increase in market activity. Q1 2026 saw the highest single-quarter take-up of office space since Q4 2022. The chart below shows the trend in office space take up across Cambridge (city centre and out of city). This indicates that 2025 saw positive market momentum continuing into the beginning of 2026 and reversing a notable downwards trend between 2022 – 2024.

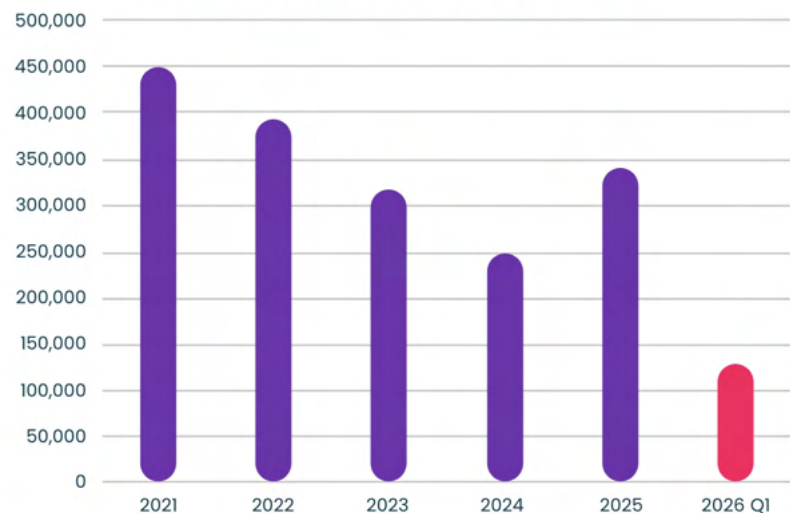


Office leasing in Cambridge reached its highest level since 2022 in 2025, matching the 10-year average, with expectations that 2026 will sustain this market recovery.

Technology companies led commercial leasing activity.

Rents increased most significantly in the Prime City Centre and surrounding areas, with top-tier business park locations expected to experience similar comparable growth in 2026.

Total Cambridge Office Space Take Up (sq ft)



Laboratory leasing remained subdued in 2025 but with a small increase in transaction activity in late 2025 and flowing through into Q1 2026, combined with signs of stabilizing tenant demand suggests laboratory leasing will gain momentum in 2026, supported by emerging signs of venture capital funding recovery.

*Bridget Partridge, Director
Office Agency, JLL. Instead,
Bridget Partridge, Director - JLL*

Cambridge industry leaders report upbeat R&D investment and workforce plans for the year ahead – with evidence that Government’s commitments to Cambridge and OxCam are boosting investor and employer confidence.

Already in 2026 major investment into Cambridge has been announced by a suite of marquee global firms. AVEVA announced a £30m investment in its Cambridge HQ in early May, AstraZeneca announced a £300m UK investment including

Cambridge, and it was confirmed that NVIDIA will be establishing a presence on Station Road in Cambridge.

Cambridge Ahead’s research strongly suggests that these are not outliers, these are consistent with investment plans in place across many players in the Cambridge economy.

The Cambridge Ahead Pulse Survey 2026 captures the sentiment of over 50 employers in the Cambridge city region. The findings here highlight growth plans that are notable amid often pessimistic market commentary at the national level. For example, the quarterly Deloitte CFO Survey for Q1 2026 (the same period the CA Pulse Survey was run) found that “business optimism among UK CFOs has fallen to a six-year low²⁶.” Findings of contrasting optimism in Cambridge from the CA Pulse Survey include:

- ➊ 65% - 75% of Pulse Survey respondents are likely or very likely to invest in R&D in Cambridge over the next 12 months.
- ➋ 35% are planning to increase headcount, and 40% to maintain headcount, over the next 12 months.

A key finding has been the extent to which employers feel that Government policy has influenced this local picture:

➤ **Over 80% felt that Government's commitment to the Ox-Cam Growth Corridor has increased or maintained business confidence.**

It should be noted that the impact of the war in Iran, and resultant economic and supply chain uncertainty, are not felt by CA to have been captured fully in the Pulse Survey and it is very possible that sentiment is changing as that situation unfolds.

That said, the employer voices captured via the Pulse Survey were very clear: across sectors and scales of firm, there is profound belief in the fundamental strength of the Cambridge ecosystem. It is seen as a unique national asset, with Government's commitment to provide funding to address infrastructure constraints, revival of the OxCam Corridor, and public backing of the city region all considered positives. Increasingly visible local partnership – particularly around the delivery of key infrastructure, and unpicking planning challenges – also provides real grounds for optimism.

Cambridge is perceived as a great place for talent, innovation and getting things done – and a buttress of the UK economy, able to act as an economic multiplier in a way many other cities and regions cannot. As noted above, business intentions align with this perception.

And yet, alongside this optimism, employers also point to a growing set of interlinked challenges which risk undermining momentum. **There is consistent concern around the pace of delivery** – while ambition at both local and national level is welcomed, progress is often perceived as slow, fragmented or uncertain.

At the same time, operational pressures on businesses are increasing, and those in Cambridge are not immune. Rising cost thresholds – driven by a combination of national policy changes, wage pressures and wider geopolitical uncertainty – are placing strain on margins and, in some cases, constraining reinvestment. Employers highlight ongoing challenges in accessing international talent, with immigration processes seen as complex and, at times, a barrier to attracting the skills needed to sustain growth – particularly in innovative sectors where the UK should be stealing a march on international competitors. These pressures are compounded by the high cost of living in the city region, particularly housing, which continues to affect recruitment, retention and workforce mobility, and ongoing delays to transport delivery. These challenges compound with wider considerations on the UK's international competitiveness set out in the following chapter.

“ Cambridge has a unique and potent ecosystem. Its concentration of innovation, access to exceptional talent, and highly networked nature make it an attractive base for knowledge-intensive businesses like TTP. However, despite that strength, there is a more constrained and challenging reality. Access to domestic scaling capital has not kept pace with the needs of companies that want to grow here and build long-term value in Cambridge and the UK.

There is a clear opportunity to better align UK scaling capital with high-potential technology activity. Bringing together private capital with other sources of investment, for example, DC pension schemes, could help unlock that potential. Done well, this would

increase the availability of growth funding and ensure more value, capability, and economic benefit are retained within the UK.

Sam Hyde, CEO, - TTP Group

Concerns over diminishing UK competitiveness dominate horizon scanning for industry leaders – compounding local pressures

The CA Pulse Survey 2026 found concerns around the UK’s competitiveness as a destination for innovation-led growth. The survey captured a sense that the national growth agenda could lose clarity and direction, with policy volatility and changing signals making it harder for businesses to plan with confidence. In this context, several respondents describe a shift towards caution, with many adopting a ‘wait and see’ approach to investment and hiring decisions until greater certainty emerges.

Respondents point to challenges in accessing scale-up capital, particularly at later stages, and a perceived erosion in the

attractiveness of the UK's R&D incentive regime relative to other parts of the world. Taken together, these factors contribute to a narrowing margin of competitiveness at a time when other global clusters are moving quickly to attract talent, investment and innovation activity.

Beauhurst data for Q1 2026 identifies that, whilst the quantum of equity funding into UK firms has held steady compared to the last five years, fewer deals are taking place – with increasing concentration into fewer, larger deals, particularly into AI firms. This deal volume contraction has been observed steadily over the past five years – meaning fewer firms are being funded, and reflecting a more challenging investment landscape for many knowledge-rich businesses looking to scale²⁷.

This focus on UK competitiveness was notable in the 2026 Survey compared with other previous surveys. International competitiveness has been cited as a concern in previous years, but there was a real surge in levels of concern captured in 2026.

Cambridge Ahead's response to the Migration Advisory Committee's 2026 call for evidence took input from major employers in the city region. This found that key policy areas such as the Global Talent Visa are not functioning as well as intended, and are acting as a barrier to accessing

global talent. For an economy such as Cambridge, which relies on attracting and retaining the very best talent in the world, this is a cause for concern of future competitiveness.

Another element of access that the Cambridge business community has expressed is direct international travel to other leading clusters. The Connecting Cambridge to the World report in 2022²⁸ set out the growing demand from the Cambridge innovation economy for direct flights to the US, China and Asia from Stansted Airport.

The concern regarding UK competitiveness and global positioning can be aligned with concerning data released here from the Centre for Business Research on the declining birth rate of new companies in Greater Cambridge (see table below).

These findings should prompt policymakers to consider two key factors at play in Cambridge – firstly the overall competitiveness

New Company Birth Rates – Greater Cambridge²⁹

Average no. of new companies born per year 2013–19	1,129
Average no. of new companies born per year 2019–25	812
New companies born 2024–25	620

of the UK as a place to build and scale companies, and secondly the local “growing pains” that make Cambridge more expensive and unattractive as a location to build and scale companies.

The CA Pulse Survey 2026 gives a clear line of sight to these underlying issues, finding that at a local level:

- Employers consistently cite transport (and its relationship to housing for employees, as well as connectivity between science parks and business clusters) as their single biggest barrier.
- There is a clear and urgent call from employers for infrastructure to be delivered at the speed and scale required to support growth.

And at a national level:

- Respondents urge government to provide long-term policy stability and delivery on the Industrial Strategy, and highlight the costs and frictions of some fiscal and regulatory policy choices in recent years.
- Concerns were raised regarding the talent pipeline through visas and skills. While Cambridge benefits from a strong domestic talent base, employers emphasise the importance of maintaining access to global skills.

The access to UK scaling capital (as cited above) is a common concern across industry.

Quality of life for young people in Cambridge is a strategic priority – with housing costs for young workers and wider mental health challenges standing out as focus areas



Contribution from Dame Carol Black, Quality of Life lead for Cambridge Ahead

Quality of life is not an add-on to economic success; it is one of the conditions of that success. Over my years of work on the social determinants of health, one lesson is consistent: early childhood, education, employment, transport, housing and access to decent food do not sit aside from prosperity as separate issues. They shape whether prosperity is shared, sustained and felt in daily life.

This is what I inputted to the Cambridgeshire and Peterborough

Independent Economic Review³⁰ in 2018, and that is why the connection between health, wellbeing and productivity matters so much to Cambridge. It is also why Cambridge Ahead has rightly placed good growth that improves quality of life at the centre of its mission for over a decade.

For a city region with such extraordinary economic strengths, this is not a peripheral question. Cambridge's next phase of growth will be judged not only by investment, scientific discovery or business formation - but by whether the people who live and work here can build a stable and healthy life: whether they can travel reliably, afford a decent home, access services, feel mentally well, and see opportunity for their children. If we want to move the dial on good growth, quality of life has to be treated as a core economic metric, not an afterthought.

The importance of regular and robust local data

That, in turn, means the quality of life agenda must be underpinned by good data. Something that RAND Europe's research with Cambridge Ahead³¹ over many years has emphasised. Without robust, repeatable evidence, it risks becoming something everyone

endorses in principle, but no one measures well in practice. This is why the Cambridgeshire Quality of Life Survey matters.

First launched by Cambridgeshire County Council in 2023, and supported by funding partners including Cambridge Ahead, the survey tracks resident experience across life and community, transport, health and wellbeing, children and young people, and perceptions of services. It already informs County Council business planning and budgets, and it was also designed to support future business, public health and service planning over time.

For example, the survey has been used to inform the Cambridgeshire Mental Health JSNA (Joint Strategic Needs Assessment) 2024³² particularly by providing robust local data on population self-assessment of mental health, the Cambridgeshire Poverty Strategy 2025³³ which led to funding of £2.2m being allocated to tackle poverty, and the Cambridge City Council Community Wealth Building Strategy 2024³⁴, in particular drawing on the local mental health data to inform outcome impact measures. In my view, that makes the survey a genuinely progressive intervention. In 2025, 6,796 residents shared their views, including a representative sample of 5,500 with 1,100 people in each district and city area; building

on previous iterations, this gives local leaders a time series they can use to judge whether change is actually improving people's lives. That is a serious piece of civic infrastructure.

Last year's findings are encouraging, but they are also cautionary. County-wide, 84% of residents say they feel happy, 85% feel safe, and 76% feel a sense of belonging. Yet 30% say they often feel lonely, 28% report struggling with their mental health, 87% are concerned about the cost of living, and 62% are worried about investment and jobs locally.

Asked what would improve quality of life, residents most often pointed to transport, more affordable housing, and easier access to GPs.³⁵ That is a reminder that quality of life is built from the everyday fundamentals of a functioning place.

Where the data suggests we must focus – young people, their housing costs, and their mental health

In Cambridge City, the 2025 survey highlights a set of quality-of-life pressures that deserve close attention. Nearly three in ten residents (29%) reported struggling with their mental health, while 35% said they often feel lonely. More than half (58%) said they had taken

action because of cost-of-living pressures, and almost two thirds (64%) reported problems with their housing. The earlier district summary adds important context: Cambridge City has a notably young and heavily rented population, with 23% of residents aged 18–24 and 54% renting their home. Taken together, these findings show that beneath Cambridge's economic success, many residents face significant day-to-day pressures, particularly around mental wellbeing, affordability and housing.

This is why the link to young people, mental health and NEETs is so important. In the 2025 survey, higher proportions of 18-to-34-year-olds reported struggling with their mental health in the past year, and have often felt lonely compared to other age groups, and Cambridgeshire and national averages. Across Cambridgeshire and Peterborough, 3.9% of 16-to-17-year-olds were identified as NEET in 2025, above the national average. We should be clear about what that means: NEET is not only a skills problem or a labour market problem. It is often a quality of life problem, rooted in confidence, connection, health and hope.

Housing is a fundamental dimension of quality of life for this group. The Quality of Life Survey reinforces this picture: renters, younger adults

and Cambridge City residents are more likely to report housing problems. Cambridge Ahead's Young Advisory Committee has added an important further dimension through its *Housing Tribes work*³⁶, which since 2018 has shone a light on the housing challenges faced by under-35s and shown that younger people in Cambridge are not a single homogeneous group, but several cohorts with distinct needs, priorities and trade-offs. Its work also points to the need for a broader mix of housing types and tenures if Cambridge is to retain talent and widen access to opportunity. In a place whose economy depends on precisely this widening access to opportunity, housing cannot be treated as a side issue. It is one of the main ways in which growth becomes either sustainable or exclusionary.

Most recently research from the CBR for Cambridge Growth Company specifically on housing needs for Cambridge knowledge-intensive workers has concluded that:

"The findings confirm that Greater Cambridge continues to attract a highly skilled and well-qualified workforce, many of whom report strong satisfaction with their jobs and overall quality of life. However, this positive picture is offset by persistent housing and transport challenges. High housing costs,

limited availability of suitable homes, and concerns about commuting time, cost, and reliability are consistent and significant issues across the sample.

A key insight is the potential mobility of the workforce. Almost half of respondents are unsure whether they will still be working in the Cambridge area in five years' time. Those expressing greater uncertainty tend to be younger, lower-paid, and less securely housed. They are more likely to rent, experience higher housing cost burdens, and report lower satisfaction with both their home and overall living environment. These factors suggest a risk to long-term talent retention, particularly among early-career KI employees.³⁷"

The forthcoming Development Corporation³⁸ for Cambridge has an opportunity here: to leverage its investment and planning powers to explore how affordable housing for young people, of suitable types and tenures, can be prioritised for early intervention to move the dial on young people's lived experience of finding appropriate homes in the Cambridge city region.

Looking ahead

All of this matters especially now, as Local Government Reorganisation (LGR)³⁹ moves from concept to implementation. LGR will seek to

reorganise Cambridgeshire’s existing councils into new unitaries, to simplify local government, and create better conditions for long-term prosperity and place leadership. Strikingly, the 2025 survey found that 46% of residents had never heard of local government reorganisation before, and while 82% said they want to know who is accountable, the deeper message was that high-quality services matter most. That is precisely why the Quality of Life survey must survive structural change.

My strong view is that any successor council or councils should take on this survey and deliver it in full. The original commission covered 2023 to 2025, and the 2026 iteration is currently being developed; that should be the beginning of the series, not the end of it, and a consistent methodology, retained local comparability, and publication of the results year after year will be vital.

If Cambridge is serious about evidence-led good growth, then quality of life data should sit alongside economic, housing and labour-market intelligence. It is how we will know whether growth is widening opportunity and improving life across Greater Cambridge – not for some, but for all. Professors Diane Coyle and Matthew Agarwala at the Bennett School of Public Policy have developed the Six Capitals

framework as a practical way in which authorities can use quality of life to guide decision-making and investments, with human capital being a core consideration. The continuation of the quality of life survey would enable a really progressive leadership of the new council covering Cambridge to adopt such a quality of life framework into its place leadership.



Policy Priorities

These fall into three priority areas:

1. Cambridge can deliver accelerated growth for UK benefit

With exceptional assets and notably strong market momentum and sentiment. If catalysing local interventions can be agreed and delivered rapidly on the ground in Cambridge, these can convert quickly into growth.

The evidence is clear that this should focus on the delivery of enabling local infrastructure, particularly transport. Priorities should be:

- **Infrastructure delivery plans to unlock and accelerate strategic growth sites for housing and commercial space.** Infrastructure priorities include Cambridge East Station, segregated public transport based on corridors that have been through due process and are deliverable as soon as possible, and a renewed plan to unlock North-East Cambridge.

Local planners have been providing for rapid growth of residential areas

and commercial space in Greater Cambridge for the past twenty years and this has allowed for significant growth in the local economy and population. Cambridge has consistently been one of the UK's fastest growing cities over this period, adding housing stock at a rate well above the national average.

But this headroom for growth has increasingly been constrained by a lack of underpinning and connecting infrastructure to serve this growing city region and its economy. Planning permissions, completions or occupations have, over recent years, been challenged or caveated due to the lack of transport, water, wastewater, or power infrastructure.

Government has signalled its intent to support infrastructure-led growth, which is very welcome. But it is vital that these signals translate into transformative action now, to bolster investor confidence and unlock private investment in the huge potential prosperity that the Cambridge city region can generate.

This should include investment now to unlock delivery of stalled or

constrained strategic growth sites, for instance through confirming approvals and funding for long-planned segregated public transport corridors; a new plan to unlock and optimise the well-connected development opportunity at North East Cambridge; a funding package for the new Cambridge East station, and Eastern access to the central rail station unlocked as soon as possible.

- ▶ **Confirmation of the powers and remit for the Development Corporation as soon as possible** – including provision for the Development Corporation to raise private finance and reduce Cambridge’s reliance on the public purse to fund major infrastructure.

Cambridge Ahead has welcomed Government’s proposal to create a centrally led Development Corporation for Greater Cambridge. If given the appropriate powers, such a body could hasten infrastructure investment and strategic site delivery at scale.

We urge Government to confirm the powers and remit for the proposed Development Corporation as soon as possible, to ensure that those powers are sufficient to make a transformational difference to infrastructure-led, sustainable and inclusive growth. To ensure that these powers and this remit are consciously designed to interact as

a coherent system with the roles of other bodies acting in Cambridge to deliver good growth.

And that, crucially, this comes with access to the scale of private finance and funding necessary to deliver the level of infrastructure necessary to ensure new communities are delivered well – and with an appropriate role in place-making for the local democratically-accountable and community voices.

- ▶ **Aligned infrastructure and spatial development plans for the region** – led by the Cambridgeshire and Peterborough Combined Authority (CPCA) working across authorities and providers. This should include as soon as possible an agreed Mass Rapid Transit plan for Cambridge, a plan for water supply that bridges immediate capacity gaps as well as creating capacity beyond 2040, a plan for wastewater treatment, and an energy plan that enables the growth of the future to be clean and sustainable, in line with Cambridgeshire’s Local Area Energy Plan.

As well as immediate investment to break through current constraints, local and national Government and their agencies and partners need to ensure that long-term, aligned and coherent plans are in place to provide for and deliver infrastructure-

led sustainable and inclusive growth in the coming decades.

In the first instance, there needs to be clarity on how the current draft Local Plan, future local plans that may emerge through or in partnership with the proposed Development Corporation, and the Strategic Development Strategy will align and interact.

To enable submission and in due course adoption of the emerging Greater Cambridge Local Plan, it is imperative that policymakers and decision-makers align over the supporting infrastructure required and its delivery – critically ensuring that the transport strategy is in place. This will need to reflect the Government’s recent Integrated Transport Strategy and align with the investment plans and strategies of national and regional road and rail transport planners and providers.

It is also imperative that utility providers and regulators are also aligned on the investment required to ensure potential water, wastewater, power and digital connectivity keep pace with, and ahead of, planned growth, and do not present further barriers to growth.

It has been suggested for some time that the current regulatory frameworks, including pricing policies, limit utility providers’ ability

to generate the capital to invest in long-term maintenance and expansion of supply to meet the demands of fast-growing areas. The pinch-growth point created in Cambridge by under-investment in water supply infrastructure seems to vividly illustrate this point. To help address this issue, the Water Scarcity Working Group has had to be created, bringing together Government (national and local), regulators and providers to identify and implement solutions.

To pre-empt infrastructure crises emerging for other infrastructure types, this level of proactive co-ordination, collaboration and strategic oversight will be required. And investment/delivery will need careful planning, funding, phasing and sequencing to ensure growth can be delivered in a smooth, timely and efficient way that gives confidence to investors in the Cambridge economy well into the future.

- **Inclusion of Cambridge in Government’s first wave of areas for fiscal devolution** – recognising that growth in Cambridge is net additional to the UK, can be as assured here as much as any city in the UK, and that fiscal devolution here would create a game-changing shift away from reliance on national Government to fund growth interventions.

Cambridge's economy has consistently shown itself to be resilient (through the global financial crash, Brexit, Covid pandemic and other shocks), and to be a net contributor to the Exchequer, as well as a key driver of exports and UK global competitiveness.

The underlying strengths of the Cambridge economy, based around world-class research and a mature innovation economy, give confidence that this economy will continue to be at the forefront of the knowledge-intensive sectors which form the core of the Government's Industrial Strategy.

In this context, the Cambridge economy can be considered as safe a bet as any for fiscal devolution, which the Chancellor has announced will empower regions to drive higher levels of growth. Local places know their economies' needs well and can make smart investments to meet those needs.

Cambridge can deliver stable, self-sustaining growth if empowered to deliver long-term investments in its future through fiscal devolution. This would break dependency on shorter-term Government funding and would ensure greater returns to the Exchequer over time, which could then be re-invested in other parts of the UK.

2. Quality of life should be a guiding principle for the next chapter of Cambridge's growth story – with the latest data pointing to a need to focus on young people's housing and access to work

This is a unifying mission for partners and 2026 is an opportunity to mainstream and accelerate efforts.

Priorities should include:

- Cambridge Development Corporation working with developers, Registered Social Landlords, Local Authorities and others to **align and deliver a targeted housing programme that will meet the needs of young workers in Cambridge**. This should include specific investment programmes to deliver affordable housing at volumes above that which would be delivered by the market, targeted support for types and tenures wanted by young people such as compact housing, co-living, and build-to-rent, and working with employers to deliver employer-backed housing.

Whilst record-breaking levels of housebuilding have taken place in Cambridge in the last twenty years, the market for both purchase and

rental remains out of the reach of many employees, particularly those on lower and medium salaries. This includes young professionals both in the knowledge-intensive sectors that generate wealth for the UK, and in the foundational economy, including teachers, healthcare workers and many others in the public, private and social sectors.

Cambridge Ahead's Young Advisory Committee (YAC) has researched the different needs of young people at different stages of their professional and life journeys. Alongside the work of the sub-regional housing board, this research makes it clear that a range of housing types and sizes, and a range of tenure types and rent levels or purchase models are needed to better meet the high levels of housing need here.

The work of the YAC has set out in particular the case for co-living, compact living, and build-to-rent tenures as pragmatic options (which exist to a much greater degree in other cities with similar demographics) that respond to the preferences and trade-offs young people are willing to make⁴⁰.

- **Uniting around Included** as an ecosystem-wide initiative to focus on pathways for young people from disadvantaged backgrounds into employment and fulfilling

careers – ranging from upstream support such as work experience and school engagement, through to targeted support for young NEETs.

Despite Cambridge's overall success and high quality of life, not everyone shares in that prosperity equally. Social mobility data shows that people from disadvantaged backgrounds in Cambridge do less well at school than people from similar backgrounds in other, generally less prosperous, parts of the UK. And as a consequence, find it harder to access higher education and stable, well-paid employment. This in turn has long-term consequences for life chances that show up in life-expectancy differentials of over ten years between the more and less advantaged communities in this small city.

Research into inclusive innovation in Cambridge⁴¹ highlighted several initiatives aimed at giving more young, local people greater access to employment and innovation but identified an opportunity being missed by not bringing those initiatives into a more coherent, mission-led programme.

In response to this research, Cambridge City Council has convened a wide range of partners



under the banner of the Included initiative. This seeks to co-create a shared commitment to aligned interventions that have greater long-term impact, starting by devising a more joined-up, evidence-led approach to broadening access and securing pathways to skills, training, work experience and employment opportunities.

Cambridge Ahead strongly supports this approach and is partnering in the Included programme to bring an employer voice to this work. We strongly encourage other actors in this system to engage and invest in the programme to ensure it optimises impact from the investment of time, resources and capacity that every organisation is putting in.

- ▶ **Continuation of funding for Form the Future** as Greater Cambridge City Deal funding draws to a close. With the platform created by Form the Future to connect employers with schools and young people being a huge asset for inclusive

growth, and bold investment needed to ensure that this long-range work – which can take many years to show up in outcome data – continues.

Form the Future is a social enterprise which has played a vital role in developing bridges between employers and young people and learning settings over the last ten years. Form the Future aims to develop a broader range of pathways to work experience and learning opportunities for a wider range of young people in the area.

The ultimate aim being to ensure that more local young people can realise their potential and find fulfilling employment in the Cambridge city region's economy. This will in turn help meet the skills needs of local employers and reduce the need for them to recruit from outside the area, which in turn adds to housing and commuting pressures.

Form the Future's activities have been core funded to date through the Greater Cambridge Partnership, under the Greater Cambridge City Deal. That funding expires in 2027, and it is imperative that a new, lasting and stable source of revenue is confirmed to allow Form the Future to continue to play its vital role.

3. Cambridge competes on the international stage and is acutely dependent on strong UK policy that boosts global competitiveness and positioning

Cambridge can help Government respond to related strategic policy priorities.

Given Cambridge's international ranking as a cluster, the concentration of its innovators and investors "upstream" in IS-8 priority sectors, and its ecosystem that is mobilised to work well with policymakers. Immediate priorities should include:

Scaling Capital for High-Potential Firms

- ▶ Building on the Mansion House Accord, Government should set and monitor baseline expectations for large pension schemes to hold more UK assets, like investments in high-growth firms - while respecting their fiduciary duties and allowing schemes to justify different approaches aligned with scheme member outcomes. Government should also take the lead in promoting the expertise-sharing needed to source and support scale-up finance, using

highly networked, experienced and innovative places like Cambridge as a testbed for a structured intervention.

- ▶ Government should seek to accelerate delivery of the Nova scheme, accrediting funds to deliver an investment pipeline of investment opportunities for UK pension funds, informing investments into productive UK assets such as knowledge-intensive scaling firms, and potentially realising better returns for savers.

Global Talent

Access to global talent is essential to Cambridge's growth as a leading knowledge-intensive cluster and to the UK's research and innovation ambitions. Alongside building local skills, businesses and institutions operating in globally competitive high-growth sectors must be able to attract talent from around the world.

- ▶ Government should ensure that the migration system and schemes such as the Global Talent Visa are not unduly burdensome and off-puttingly bureaucratic. Whilst managing overall migration robustly, the UK must ensure it remains an attractive, welcoming and accessible destination for the brightest and best talent from around the world in innovation sectors.

Cambridge Ahead members report a mixed experience of the GTV; it offers some advantages over standard sponsored routes, particularly in reducing longer-term administrative burdens and appeal to applicants. However, there are concerns about accessibility and operation of the process which is seen as onerous, complex, time-consuming, and lacking clarity. The endorsement criteria can be inflexible, sometimes leading to individuals pushed to pursue alternative routes, and the peer review assessment criteria lack clarity and the process is too slow.

Cost across the wider immigration system is also a significant factor. High upfront visa fees and the Immigration Health Surcharge reduce the attractiveness of the GTV compared to other countries competing for similar talent, with the UK widely perceived as being more expensive than other leading scientific nations. This can make it harder to secure highly skilled individuals from overseas and risks undermining the UK's international competitiveness.

In practice, the GTV is reportedly predominantly used by individuals already in the UK, for example those transitioning from study routes. While this reflects the flexibility of the route and is positive, it may suggest that its effectiveness as a mechanism for

attracting new international talent to the UK, which is a key objective of the visa, is limited.

While the GTV is designed to attract highly skilled individuals, there is a need to improve clarity, flexibility, and efficiency to ensure it is effectively delivering on this objective and to make sure that the immigration system supports rather than constrains the UK's ability to attract global talent.

Global connectivity

Building on the groundwork set out in Connecting Cambridge to the World and the continuing need to increase global connectivity for Cambridge and its wider region, Government should:

- ② Support the work of the Cambridge business community with Stansted Airport on long-haul route development to open up more direct connectivity between Cambridge, (and wider Ox-Cam and East of England regions) and priority global investment clusters and markets including in the US and China.

Appendices

Appendix A – Cambridge Ahead Pulse Survey 2026 (*below*)

Appendix B – CBR Annual Cluster Insights Data Summary (*separate document*)

Appendix C – Company Movements 2015–24 Report (*separate document*)

Appendix A – Cambridge Ahead Pulse Survey 2026

Cambridge remains a beacon of economic strength in increasingly challenged macro conditions – but its full potential is still constrained, risking lost local and national growth

Survey of over 50 of Cambridge’s leading employers reveals continued commitment to the city region’s unique ecosystem – but fraying confidence against a turbulent global backdrop and with key infrastructure still to be delivered.

Headline Findings

- **The Cambridge economy increasingly seen by industry leaders as a unique national asset** – as UK macro pressures and growing international competition force harder bottom-line scrutiny.
- **Fundamental attractions of Cambridge economy translate into positive R&D investment and workforce plans that buck national picture** – with business confidence boosted by Government’s focus on Cambridge and wider Ox-Cam corridor.
- **Local delivery urgently needed to overcome “wait and see” caution that is dampening growth** – with employers’ patience exhausted, particularly when it comes to promises on enabling infrastructure made over the last three years.
- **Diminishing perceptions of UK competitiveness dominating Boardroom concerns** – across multiple fronts of national policy, with access to growth capital and international talent set to be key determinants of future growth levels achieved.

Summary

Cambridge is widely recognised as a trailblazing place: a combination of innovation, entrepreneurship and academic rigour with a supportive networked ecosystem and a history of world-changing discoveries. As a net contributor to the Exchequer, wellspring of IP-rich spinouts and scale-ups, and idea originator, Cambridge's success is also closely tied to that of the wider UK, and other clusters of excellence across the country.

As a science and technology cluster, Cambridge is undeniably world class. But local employers have long held that **delivery lags behind ambition:** infrastructure, affordability and planning and governance uncertainty have acted as binding constraints on growth and confidence.

This year, the Cambridge Ahead Pulse Survey has captured the views of over 50 leading employers in the city region, across multiple sectors

- from built environment, through life sciences, pharmaceuticals and deeptech to hospitality. These employers share a connection to Cambridge, and a commitment to its sustainable and inclusive growth.

These employer voices were very clear: across sectors and scales, **there is profound belief in the**

fundamental strength of the Cambridge ecosystem. It is seen as a unique national asset, with Government's commitment to provide funding to address infrastructure constraints, revival of the OxCam Corridor, and public backing of the city region all huge positives. Indeed, over 80% of respondents felt that government's commitment to the OxCam Corridor had either increased or maintained business confidence.

Increasingly visible local partnership – particularly around the delivery of key infrastructure, and unpicking planning challenges – also

provides real grounds for optimism. Cambridge is perceived as a great place for talent, innovation and getting things done – and a buttress of the UK economy, able to act as an economic multiplier in a way many other cities and regions cannot. Business intentions align with this perception, with 35% of respondents planning to increase their headcount in the coming years.

And yet, alongside this optimism, employers also point to a growing set of **interlinked challenges which risk undermining momentum if not addressed.** There is a consistent concern around the pace of delivery – while ambition at both local and national level is welcomed, progress is often perceived as slow, fragmented or uncertain. This is

compounded by a sense that **the national growth agenda has lost some clarity and direction**, with policy volatility and changing signals making it harder for businesses to plan with confidence. In this context, several respondents describe **a shift towards caution**, with most adopting a ‘wait and see’ approach to investment and hiring decisions until greater certainty emerges – when in reality, **growth needs to be predicated on empowering business ambition**.

At the same time, **operational pressures on businesses are increasing, and those in Cambridge are not immune**. Rising cost thresholds – driven by a combination of national policy changes, wage pressures and wider geopolitical uncertainty – are placing strain on margins and, in some cases, constraining reinvestment. Employers highlight **ongoing challenges in accessing international talent**, with immigration processes seen as complex and, at times, a barrier to attracting the skills needed to sustain growth – particularly in innovative sectors where the UK should be stealing a march on international competitors. These pressures are compounded by the high cost of living in the city region, particularly housing, which continues to **affect recruitment, retention and workforce mobility**.

Finally, there are concerns around the UK’s **competitiveness as a destination for innovation-led growth**. Respondents point to challenges in accessing scale-up capital, particularly at later stages, and a perceived erosion in the attractiveness of the UK’s R&D incentive regime relative to other parts of the world. Taken together, these factors contribute to a narrowing margin of competitiveness **at a time when other global clusters are moving quickly** to attract talent, investment and innovation activity.

Taken together, these findings point to a clear and actionable agenda. The fundamentals of the Cambridge ecosystem remain exceptionally strong, but **realising its full potential will depend on pace, clarity and delivery**. There is a strong opportunity for Government to work in partnership with business to unlock this – by committing to infrastructure-first delivery at scale, providing long-term policy stability, and ensuring that planning, skills and capital frameworks are aligned to support growth. With the right conditions in place, **Cambridge can play a central role in a renewed national growth story**: acting not only as a world-leading science and innovation cluster, but as a multiplier for the wider UK economy, attracting global talent and investment, and modelling how place-based growth can be

delivered at scale whilst preserving and enhancing quality of life. **The prize is significant – but so too is the need for coordinated, confident and sustained action**, lest the opportunity be missed.

Trends over time – tracking the pulse survey from 2023 to 2026

Over the four years the Pulse Survey has been conducted, employer perspectives have shifted perceptibly – with faith in Cambridge’s fundamentals remaining consistent, but coupled with a growing awareness of the erosion of competitive advantage that comes with slow pace of delivery.

What has stayed constant

- Cambridge’s **talent base, research intensity and innovation ecosystem** remain the dominant reasons employers value a Cambridge presence.
- Infrastructure and affordability have been the most persistent barriers every year, with **transport and housing** featuring particularly strongly.
- R&D sentiment remains positive throughout the series, with firms continuing to see Cambridge as a **high-value base for research, collaboration and commercialisation**.

What has changed

- The tone has shifted from broad confidence in 2023 towards more conditional confidence by 2026, with a stronger sense that **delivery is lagging ambition**.
- **Concerns about UK competitiveness** have intensified: access to scale-up capital, the visa regime, policy volatility and the relative strength of R&D incentives now feature far more prominently.
- Employers are increasingly explicit that **future investment and hiring decisions depend on visible progress** on infrastructure, housing and planning certainty.

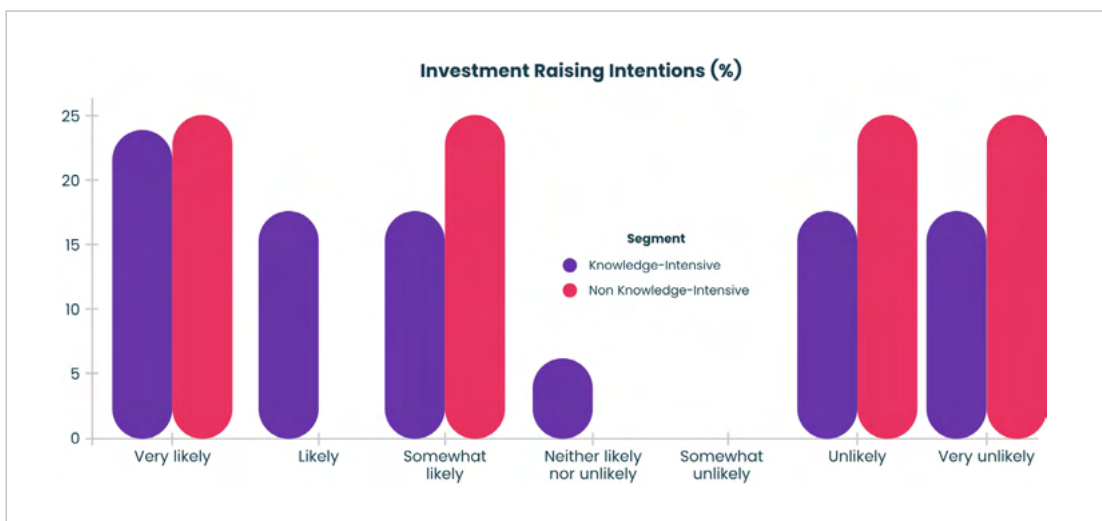
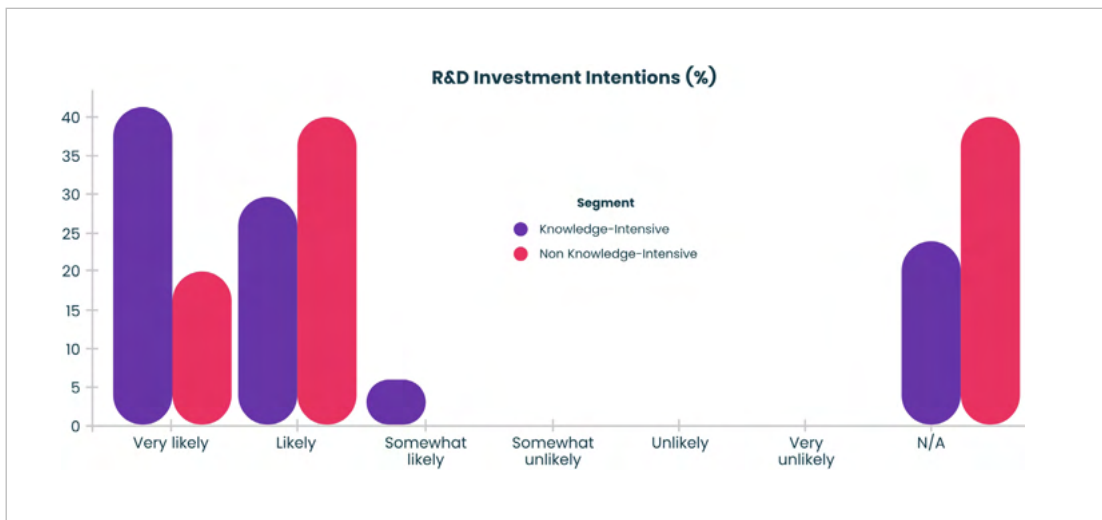
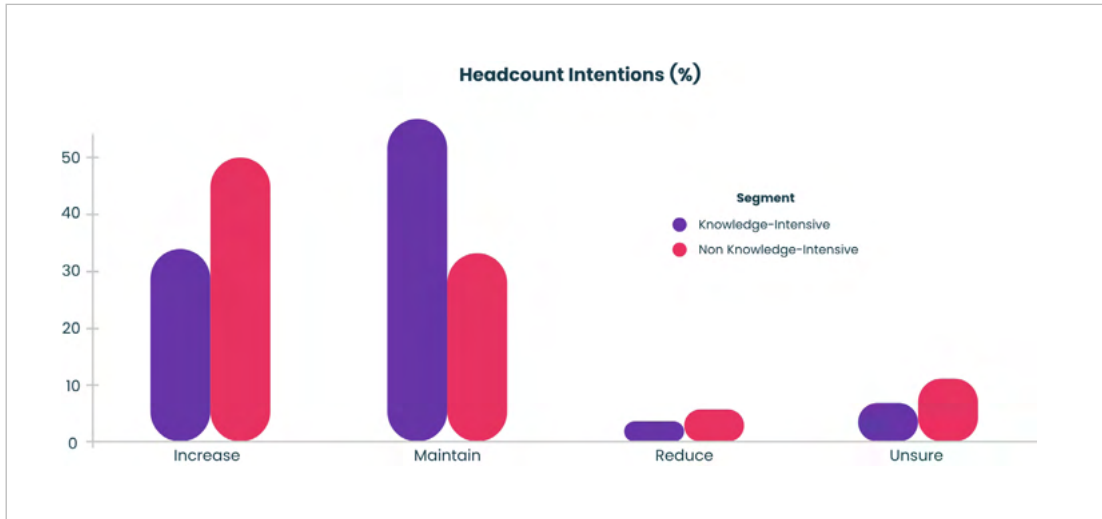
Year	Growth signal	Innovation / R&D signal	Competitive pressures
2023	88% expected to increase their presence	Almost all planned some R&D spend in Cambridge	Relocation risk flagged
2024	Around half expected to increase presence	73% planned >£1m into R&D; 40% >£5m	46% likely / very likely to consider international alternatives
2025	>70% intended to increase presence	32% planned >£5m R&D; 41% expected more lab / office need	23% likely / very likely to consider international alternatives
2026	35% planned to increase headcount; ~40% maintain	65–70% likely / very likely to invest in R&D	Respondent concern widened to visas, capital, incentives and UK competitiveness

Segmenting the economy – knowledge intensive compared with Non-KI

A segmentation of respondents highlights a clear divergence between knowledge-intensive and non-knowledge-intensive firms. Knowledge intensive businesses – particularly those in life sciences, technology and advanced engineering – show more cautious hiring behaviour, with a majority maintaining headcount rather than expanding. This could reflect greater exposure to global capital markets, policy conditions and international competition.

By contrast, non-knowledge-intensive firms are more likely to report near-term expansion, reflecting stronger alignment with local demand conditions. However, they remain significantly affected by cost pressures and labour availability. Knowledge-intensive firms are also more active in both R&D investment and capital raising, reinforcing their central role in driving Cambridge's innovation economy – but also highlighting their sensitivity to changes in the UK's competitiveness, particularly in relation to scale-up finance, R&D incentives and access to international talent.

KI and non-KI at a glance



Detail

Cambridge as a Unique National Asset

- Its talent and skills pipeline remains a defining strength of Cambridge, with consistent high-quality graduates, specialist STEM capability, and job mobility within a dense cluster, facilitated by the **vibrant and dynamic innovation economy**.
- Cambridge's **historic global brand and connectivity** continue to underpin its attractiveness, particularly when supported by improved services and affordability.
- Cambridge is globally competitive for innovation intensity – but is able to merge this with quality of life, access to green spaces and a more relaxed environment than many of its peers, making the city region **a uniquely attractive location**. These qualities should be protected and enhanced as part of the growth journey.

The fundamental attractions of Cambridge economy translate into positive R&D investment and workforce plans that buck national picture

- **The R&D ecosystem is globally distinctive, with strong translational links between academia, research institutes and industry.** These are a key characteristic of Cambridge, and a potent multiplier which attracts domestic and international interest and investment.
- There remains **strong underlying confidence in Cambridge's long-term potential**, particularly among R&D-intensive sectors such as life sciences, technology and advanced manufacturing. Many organisations continue to invest and grow locally, reflecting the enduring strength of the ecosystem.
- **Government's focus on Cambridge, and commitment to the OxCam Corridor**, was seen by over 80% of respondents as increasing or maintaining business confidence.
- 35% of respondents plan to increase their local headcount in the coming years, indicating an **enduring commitment to Cambridge and belief in its long-term success**.

Local delivery urgently needed to overcome "wait and see" caution that is dampening growth

- The impact of infrastructure constraints are near-universal, with **transport consistently cited as the single biggest barrier for employers**. Moving people into and out of Cambridge, to and from communities and places of work, and between clusters and business parks continues to be one of the single biggest challenges for Cambridge-based firms. A small number of employers report actively considering alternative bases as a result.
- There is a clear and urgent call from employers for **infrastructure to be delivered at the speed and scale required to support growth**. This includes not only major projects such as East West Rail, but also improvements to local transport networks, water and wastewater capacity, and energy provision – with a strong emphasis on certainty, sequencing and visible progress. Utilities capacity (water, wastewater and power) is increasingly constraining growth – coupled with rising costs, particularly for the latter.
- In turn, **affordability pressures**, from the global and national (National Insurance rises, energy costs) to the local (principally cost of living) are affecting recruitment and retention. Some respondents are holding fire on recruitment

decisions, or even considering global or domestic alternatives to Cambridge – not because they expect greater return on investment, but simply due to equations around cost.

- **Planning delays and delivery friction are increasing cost and uncertainty**. Whilst the attention given to this, including the draft Local Plan and role of the Cambridge Growth Company, are welcomed, employers report wanting to see delivery at pace, certainty on which body delivers what, and easier procurement processes when seeking to tender for public sector contracting.
- There is a perception that governance complexity – particularly the makeup of Cambridge’s local government, and multiple public bodies with interests in planning and transport – is **creating confusion and slowing decision-making**.
- Many employers urgently propose increasing housing supply linked to transport. Employers consistently highlight **housing affordability as a critical constraint on recruitment and retention**, particularly for early-career and key workers. Increasing supply – especially where it is well-connected to employment centres through reliable and affordable

transport – is seen as essential to sustaining workforce growth and reducing pressure on existing infrastructure.

- ▶ Whilst Cambridge has a strong brand and offer to investors, respondents would broadly welcome a **clearer and stronger inward investment support offer**, to pitch for Cambridge more effectively internationally. The provision in other Combined Authority geographies, including Manchester and the West Midlands, are cited as examples to replicate.

Diminishing perceptions of UK competitiveness dominating Boardroom concerns

- ▶ Respondents urge government to provide long-term policy stability and delivery on the Industrial Strategy. A consistent theme across responses is the need for greater clarity and stability in the national growth agenda. Businesses are seeking clear, **long-term delivery on the Industrial Strategy** with consistent policy signals, reducing volatility and enabling confident decision-making around investment, expansion and hiring.
- ▶ Concerns were raised regarding the talent pipeline through visas

and skills. While Cambridge benefits from a strong domestic talent base, **employers emphasise the importance of maintaining access to global skills**. This includes more streamlined and responsive visa processes, alongside continued investment in skills development aligned to priority sectors such as life sciences, advanced manufacturing and technology.

- ▶ Respondents are keen to see **continued commitment to the OxCam Corridor**. There is strong support for the OxCam Corridor as a strategic growth opportunity, but also a clear need for sustained commitment and delivery. Providing clarity on governance, funding and timelines will be critical to unlocking its potential and reinforcing confidence among investors and businesses.
- ▶ **Constrained scale-up finance** is impacting the ability of growing firms to put down roots in the UK. Respondents highlight ongoing challenges in accessing capital at scale, particularly for later-stage growth. There is a strong case for deepening the UK's venture and scale-up ecosystem, including greater participation from institutional and pension fund capital (including upskilling via connection to the expertise that

can be found in private capital) and ensuring that innovation incentives remain internationally competitive.

- Similarly, the **erosion of competitiveness in R&D incentives** brings risk. Respondents highlight a perceived weakening in the UK's R&D tax credit regime – historically considered strong – particularly in comparison to international competitors, such as the US (where state and federal incentives can be stacked) and France. This is seen as reducing the attractiveness of the UK as a destination for innovation-led investment, particularly for globally mobile firms, as standing still translates into going backwards here.
- Risks are emerging around early-stage ecosystem strength. While Cambridge remains a globally significant innovation cluster, there are **early signals of pressure within the startup and scale-up pipeline**. Concerns include access to early-stage capital, confidence in risk-taking, and the conditions needed to support consistent company formation and growth at scale.
- Benchmarking against global competitors highlights **stronger delivery and incentives elsewhere**.

Respondents increasingly benchmark Cambridge against leading international clusters in the US, China and parts of the Middle East and Asia. These locations are often seen as offering faster delivery, clearer strategic direction, and more competitive incentive regimes – creating a sense that the UK risks falling behind if it cannot match pace and certainty.

- There is emerging evidence that some employers are **actively considering expanding or locating future activity outside Cambridge, either elsewhere in the UK or internationally**. This is driven by a combination of high operating costs, infrastructure constraints and challenges in accessing and retaining talent locally, particularly where affordability and connectivity are limiting factors.
- There is real risk of missed opportunities in high-growth sectors. There is concern that without clearer prioritisation and faster delivery, the UK risks **missing opportunities in key growth sectors where it currently holds a strong position**. Cambridge's global pre-eminence in areas such as life sciences and deep tech could be undermined if enabling conditions do not keep pace with ambition.

- Perception of the UK's global positioning is not wholly positive. More broadly, there is a sense that the UK's international reputation for stability, clarity and competitiveness has become less certain in recent years. For Cambridge's globally operating businesses, perception matters – and **maintaining a strong, consistent narrative around the UK as a place to invest, innovate and scale** is seen as increasingly important. This also extends to how the UK is perceived as a place to come as a talented person from overseas – the UK is not presently seen as welcoming in comparison to some global competitors.

Key Metrics Snapshot – Summary of Responses

Headcount intentions (employers were asked 'are you likely to increase, reduce or maintain your headcount in Cambridge in the coming years?')

- Increase: ~35%
- Maintain: ~40%
- Reduce: ~5–10%

R&D investment: (employers were asked, 'how likely are you to invest in R&D in Cambridge in the coming years?')

- Likely/very likely: ~65–70%
- Neutral: ~10–15%

- Not applicable: ~15–20%
- Investment raising (employers were asked 'how likely are you to seek to raise funds/investment in the coming year?')

- Likely: ~40–45%
- Unlikely: ~30–35%
- Neutral: ~10–15%

Source of investment raising (employers were asked 'if you are looking to raise investment, do you expect this to come from UK or overseas sources?')

- From UK sources: 53%
- From overseas sources: 27%
- Unsure: 20%

Citations

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- ⁹ CA Pulse Survey 2026
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